

111TH CONGRESS  
1ST SESSION

# H. R. 2303

To amend the Internal Revenue Code of 1986 to eliminate the restriction on reducing Federal income tax refunds for past-due State income tax obligations of out-of-state residents in the case of States with reciprocal agreements with the Federal Government to reduce State income tax refunds for Federal income tax obligations.

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## IN THE HOUSE OF REPRESENTATIVES

MAY 7, 2009

Mr. LEWIS of Georgia (for himself, Mr. RANGEL, and Mr. FALEOMAVAEGA) introduced the following bill; which was referred to the Committee on Ways and Means

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## A BILL

To amend the Internal Revenue Code of 1986 to eliminate the restriction on reducing Federal income tax refunds for past-due State income tax obligations of out-of-state residents in the case of States with reciprocal agreements with the Federal Government to reduce State income tax refunds for Federal income tax obligations.

1 *Be it enacted by the Senate and House of Representa-*  
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “State Tax Administra-  
5 tion Assistance Act of 2009”.

1 **SEC. 2. ELIMINATION OF RESTRICTION ON REDUCING FED-**  
2 **ERAL INCOME TAX REFUNDS FOR PAST-DUE**  
3 **STATE INCOME TAX OBLIGATIONS OF OUT-**  
4 **OF-STATE RESIDENTS IN THE CASE OF**  
5 **STATES WITH RECIPROCAL AGREEMENTS**  
6 **WITH THE FEDERAL GOVERNMENT TO RE-**  
7 **DUCE STATE INCOME TAX REFUNDS FOR**  
8 **FEDERAL INCOME TAX OBLIGATIONS.**

9 (a) IN GENERAL.—Paragraph (2) of section 6402(e)  
10 of the Internal Revenue Code of 1986 is amended—

11 (1) by striking “Paragraph (1)” and inserting  
12 the following:

13 “(A) IN GENERAL.—Paragraph (1)”, and

14 (2) by adding at the end the following new sub-  
15 paragraph:

16 “(B) EXCEPTION FOR STATES WHICH  
17 HAVE RECIPROCAL AGREEMENTS WITH SEC-  
18 RETARY.—Subparagraph (A) shall not apply  
19 with respect to any State seeking an offset if  
20 such State has in effect a reciprocal agreement  
21 with the Secretary under which such State  
22 agrees to offset the amount of any overpayment  
23 of State income tax payable to any person by  
24 the amount of any Federal income tax obliga-  
25 tion of such person under a program similar to  
26 the program described in paragraph (1).”.

1       (b) EFFECTIVE DATE.—The amendments made by  
2 this section shall take effect on the date of the enactment  
3 of this Act.

